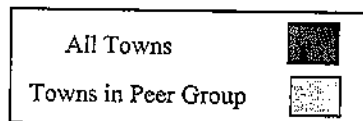
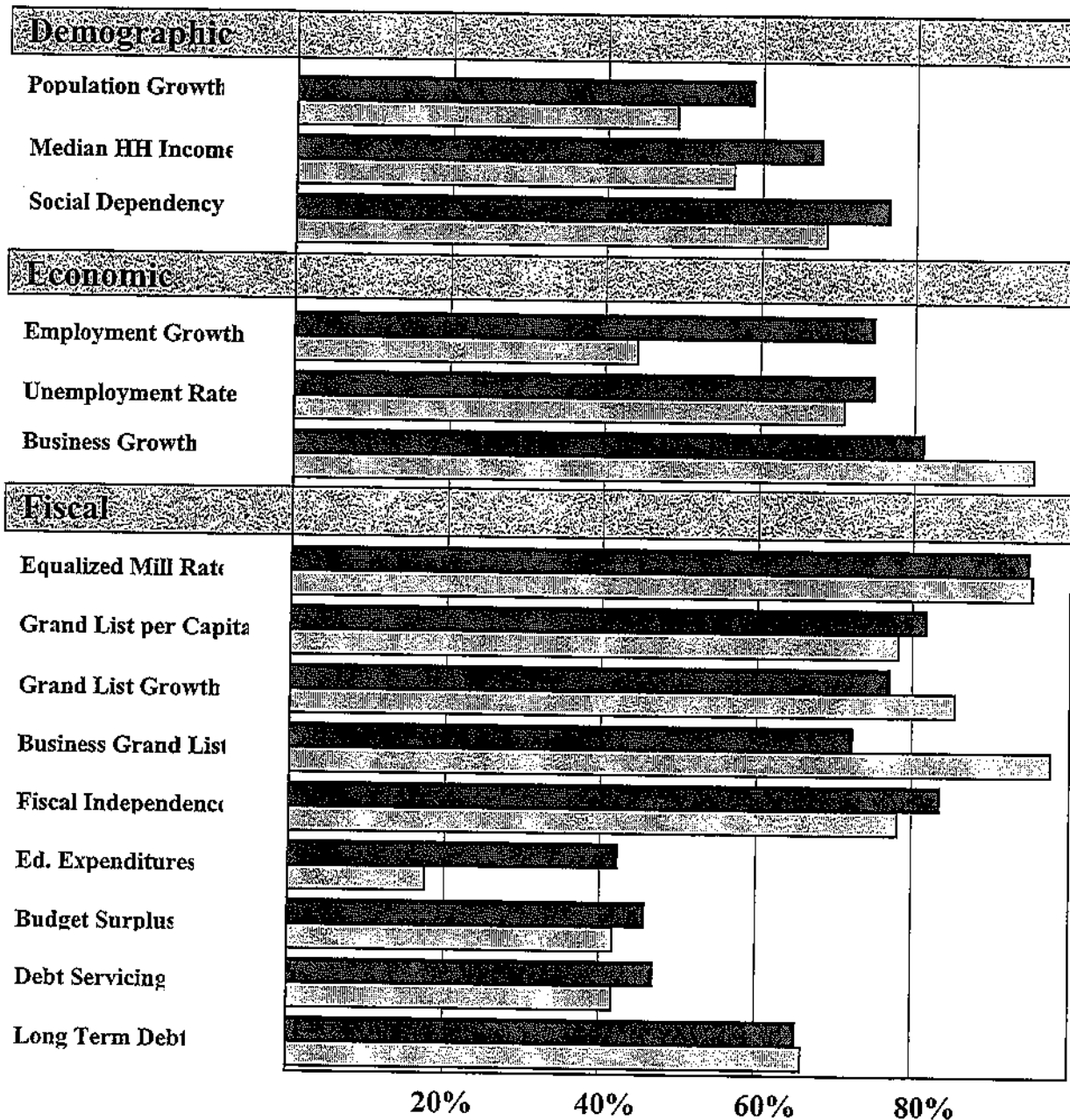


CERC Municipal Benchmarks Essex 2002



CERC Municipal Benchmarks for Town of Essex

Introduction

The following analysis reviews the data related to the CERC Municipal Benchmark chart. The benchmarks present a useful snapshot that compares a town to all of Connecticut's towns for a number of important demographic, economic, and fiscal measures. Both the chart and analysis are valuable in evaluating a town's relative ranking. However, the chart and this presentation present only snapshots using individual variables and these snapshots cannot present the long term historical trends or the complex factors that affect the town that a more comprehensive review could present. Such a comprehensive assessment can be produced for a town or region by contacting CERC.

Demographic Ranks

➤ Population Growth

1. What is Being Measured?

The measure of population growth used is the difference in the town's share of the state's total population in 2002 less the town's share in 1990. This measure reflects the relationship between the population growth rate in the town and the state and is not sensitive to the size of the town. The 1990 data are from the decennial census and the 2002 data are from CERC's DataFinder using data supplied by Applied Geographic Solutions.

2. Why is it important?

The change in a town's population reflects the overall relative appeal of the town to the people who live in the state. This appeal results from employment opportunities in the area, educational systems and quality of life factors. As population increases so too do housing costs, local tax burdens and often the demand for additional public services.

3. How did Essex rank?

Essex's share of the change in the State's total population ranks the town 70th (Rank of 1 is highest) out of the 169 towns in Connecticut. Population increased by 692 from 5,904 in 1990 to 6,596 in 2002. This change in absolute population ranks Essex 75th. This increase is equivalent to a growth rate of 0.93% a year, which would rank the town 56th. Overall, Essex was the 117th largest town in terms of total population in 2002.

➤ Median Household Income

1. What is being measured?

This measure of income is based on the Census Bureau's definition of income (money income) accruing to a household. The incomes of all the households in the town are sorted and the income value in the middle of the sort is specified as the median value. The data are from Applied Geographic Solutions (AGS) as presented in CERC DataFinder for 2001.

2. Why is it important?

Income is an important measure of the wealth in a town. Income measures both the affluence of the citizens in the town and the town's ability to generate revenues (higher incomes generally reflect higher property values as a basis for tax revenues.) Households with higher incomes will also tend to require more services and better performance from the school system.

3. How did Essex rank?

The median household income for Essex was \$73,224 in 2001. This ranked the Essex 56th out of 169 towns. Median household incomes for all towns in Connecticut ranged from \$130,498 (top ranked town) to \$47,831 (ranked 169th) with the median income for the state at \$65,806.

➤ Social Dependency

1. What is being measured?

The total number of people receiving aid through the Temporary Assistance to Needy Families (TANF) are weighted by the town's population. The data are for 2000 and are reported in the Fiscal Indicators publication by the Connecticut Office of Policy Management. For this measure a town with a lower value gets a higher rank.

2. Why is it important?

This measure to some extent reflects the burden on a town's budget related to meeting the needs of people requiring social assistance.

3. How did Essex rank?

Essex ranked 41st with 0.5 people out of 100 needing TANF support in 2000.

Economic Ranks

➤ Employment Growth

1. What is being measured?

Employment growth is the change between 1992 and 2001 in the town's share of total jobs in the state of Connecticut. The data are from the Connecticut Department of Labor.

2. Why is it important?

Employment growth suggests that the town is in a favorable location for business growth, has policies that encourage growth and has a competitive business environment. Rapid short term business and employment growth however can stress town services if not carefully planned for.

3. How did Essex rank?

Essex had a net gain of 680 jobs in the town since 1992. This change resulted in the town being ranked as the 44th in terms of its overall change in the share of total jobs in the state. In 1992 Essex was the 86th largest town with a total of 3,120 jobs, by 2001 it was ranked 86th with 3,800 jobs.

➤ Unemployment Rate

1. What is being measured?

The unemployment rate measures residents of the town who are part of the town's labor force but are not employed. It is the number of unemployed divided by the total labor force (employed and unemployed) in the town. The data are from the Connecticut Department of Labor for 2001.

2. Why is it important?

Unemployment indicates that there are strains to the economy in the area and that these strains are being felt by residents of the town. Lost jobs in the short term suggest that there will be additional strains on the town as residents search for new work.

3. How did Essex rank?

Essex ranked 44th of all towns in Connecticut for unemployment rate. Out of the total labor force in Essex of 3,307, 68 were unemployed resulting in an unemployment rate of 2.1 percent.

➤ Business Growth

1. What is being measured?

The change in the share of the number of work sites in the town relative to the total number of work-sites in Connecticut. The change is measured from 1992 to 2001. The data are from the Connecticut Department of Labor.

2. Why is it important?

The number of work-sites in a town reflects not only the number of employment opportunities in the town but the vitality of the town's business community. A growing number of work-sites suggest that businesses feel the town is a good location to start a business and that businesses that have started up in the town have been successful.

3. How did Essex rank?

In 2001 there were 11 additional businesses in Essex than in 1992. This net increased ranked Essex 33rd out of 169 towns. Overall, there are 367 businesses in Essex.

Fiscal Ranks

➤ Equalized Mill Rate

1. What is being measured?

The mill rate is the tax rate per \$1,000 of the assessed value of private property. The mill rates for all towns are equalized by the State Office of Policy and Management (OPM) to account for the differing years of town revaluations of private property and are published in OPM's *State of Connecticut Municipal Fiscal Indicators*.

2. Why is it important?

The equalized mill rate allows for comparisons of tax burdens across all towns in Connecticut. The equalized mill rate is affected by the total value of assets in the town as well as the differing needs of the town population's and the share of the town's assets that belong to businesses.

3. How did Essex rank?

Essex's equalized mill rate of \$11.4 per \$1,000 ranked the town as the 10th in 1999. Mill rates in Connecticut ranged from 8.58 to 38.23 with the median in the state being 18.21.

➤ Grand List per Capita

1. What is being measured?

The grand list is the total of all assets in the town. The value used for this ranking is net of non-taxable assets such as school and church property. The grand list used in this measure has also been equalized to account for the year when the different towns revalued the assets. For this benchmark the net equalized grand list is divided by the number of residents in the town.

2. Why is it important

Higher equalized net grand list per capita results in a larger tax base and thus the ability to lower the mill rate. However, if a large share of the grand list value comes from residents rather than business, the potentially lower mill rate could result in higher tax expenses per person. Also, a more wealthy population base may require additional services and additional education expenses.

3. How did Essex rank?

Essex's equalized net grand list per capita in 1999 of \$146,108 resulted in the town being the 32nd highest town in Connecticut. Per capita equalized net grand lists for Connecticut's towns ranged from \$33,527 to \$415,552.

➤ Grand List Growth

1. What is being measured?

The grand list growth variable measures the change in the town's relative grand list. Specifically, it is the growth in the town's share of Connecticut's total grand list from 1993 to 1999. Using the concept of share allows this measure to account for inflation as well as the overall changes occurring in the state.

2. Why is this important?

This indicator measures the town's vitality as well as the change asset base available to the town for tax purposes. However, this measure does not account for changes in the town's expenses.

3. How did Essex rank?

The tax base in Essex increased by \$248,220,402 from \$662,032,498 in 1993 to \$910,252,900 in 1999. As a share of the total of all 169 towns' grand lists Essex increased from 0.253% to 0.287%. This change of 0.035 ranked Essex 40th among all the towns in the state.

➤ Business Grand List

1. What is being measured?

This measure is the share of the town's total grand list that is accounted for by the business property in the town. This data is published in the *State of Connecticut Municipal Fiscal Indicators* by the Office of Policy and Management.

2. Why is it important?

Towns that have a high business share of their grand list will generally be able to reduce the tax burden on their residents. However, bringing business into an area can often increase the needs for infrastructure.

3. How did Essex rank?

Essex was the 48th town in Connecticut when all 169 towns were ranked according to the share of their grand list that is accounted for by industry and commerce. \$98,824,820 or 15.5% of the town's total grand list of \$638,817,393 was accounted for by businesses in 1999.

➤ Fiscal Independence

1. What is being measured?

Fiscal independence is the town's share of its total revenues that are not accounted for from state and/or federal government sources.

2. Why is it important?

Revenues from non-local tax sources are useful for town budgets. However, in Connecticut outside funding sources especially from the state government increases volatility and risk due to the State's revenues sources and political challenges. Because of this risk a town with a lower share of revenues from the state and federal governments is ranked higher.

3. How did Essex rank?

The share of Essex's revenues from intergovernmental sources was 8.5 % in 1999. This share ranked the town 29th relative to all towns in the state.

➤ Education Expenditures

1. What is being measured?

The measure used to benchmark educational expenses is the share of the town's total annual budget that is spent on education.

2. Why is it important?

Without taking other issues into account, a higher share of expenditures on education suggests that the town does not have other significant budget requirements. This is not a measure of educational performance but can be looked at to some extent as a measure of the town's fiscal efficiency. However, as with most other benchmark measures a number of issues should be considered. Larger towns and cities often have a relative increase in educational expenditures due to higher demands placed on the educational system and often a larger share of population being school age.

3. How did Essex rank?

The share of Essex's total expenditures accounted for by education was 64. which ranked the town 99th relative to the other Connecticut towns.

➤ Budget Surplus

1. What is being measured?

The budget surplus is the ratio of the town's revenues from all sources to its expenses. To compensate for potentially large single year effects this measure is the average for the last 3 years (1998 to 2000).

2. Why is it important?

A budget surplus suggests that the town has enough revenues to cover existing expenses and could deal with some unexpected expenses as well. While it could be argued that a balanced budget would be better than one in surplus, this benchmark assumes that there are significant pressures on keeping the town's expenses to a minimum so that a surplus should be judged as a positive attribute of the town.

3. How did Essex rank?

From 1998 to 2000 Essex's total revenues were 2.6% higher than its total expenses. This resulted in Essex ranking 93rd among all towns in Connecticut.

➤ Debt Service

1. What is being measured?

Debt service is the share of the town's total budget that goes to pay down the principle and the interest for its long-term loans and municipal bonds.

2. Why is it important?

Towns borrow money to help pay for large capital projects such as new school or town buildings. These funds are from bonds issued by the town or money borrowed from outside sources. While money spend on debt service is not available for other expenditures in the short term, large investments are expected to provide benefits and improve the quality of life over the long run. Also the saving to provide capital for large investments ahead of time may not be desirable, political, or practical.

3. How did Essex rank?

Essex ranked 91st with an annual debt service payment of 7.3% of its total budget expenditures for 2000.

➤ Long Term Debt

1. What is being measured?

The long term debt benchmark is the ratio of the town's total long term debt to the town's revenues.

2. Why is it important?

This measure incorporates must of the information in the town's debt servicing benchmark. However, because this measure is based on the stock of town's total indebtedness rather than the annual flow of the debt servicing it can result in significant different rankings for some towns. This measure is also different because it is weighted by the town's total revenues rather than total expenditures. As a result a town that has budget surplus might benefit from this measure as would a town that had borrowed when interest rates were relatively low.

3. How did Essex rank?

Essex's ratio of long term debt to revenues was 0.48. In 1999 Essex's total long term debt was \$5,245,730, ranking the town 60th. This total debt value results in a debt of \$806 for every resident in the town. Although this ratio is not shown in the benchmarks chart it would rank the town 38th best.